



# 2016 Recommended Operating Budget

City of Eau Claire  
City Council Work Session  
10/8/2015

# 2016 Operating Budget

## Background



- Tax Levy – The total dollar amount that must be levied in the form of a property tax.
  - Total Expenditures – (Total Revenues + Applied Fund Balance)
- Tax Rate – The Tax Levy divided by the assessed value of the taxing jurisdiction.
  - Expressed as a rate/\$1,000 of assessed value.
  - Tax Levy = \$38,461,200
  - Assessed Value = \$4,403,693,000
  - Tax Rate =  $\$38,461,200 / (\$4,403,693,000 / 1000) = \$8.734$

# 2016 Operating Budget

## Background



- A municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction. If no new construction occurred in your community, then your allowable levy increase is zero percent.
  - Net new construction = 1.587% = \$512,263

# 2016 Operating Budget

## Background



- Debt service levy exempt from levy limits
- Municipalities can exceed limits if approved by referendum

# 2016 Operating Budget

## Background



- On or after July 2, 2013, if a municipality adopts a new fee or a fee increase for **covered** services (which were partly or wholly funded in 2013 by property tax levy), that municipality must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. This also applies to payments in lieu of taxes

# 2016 Operating Budget Background



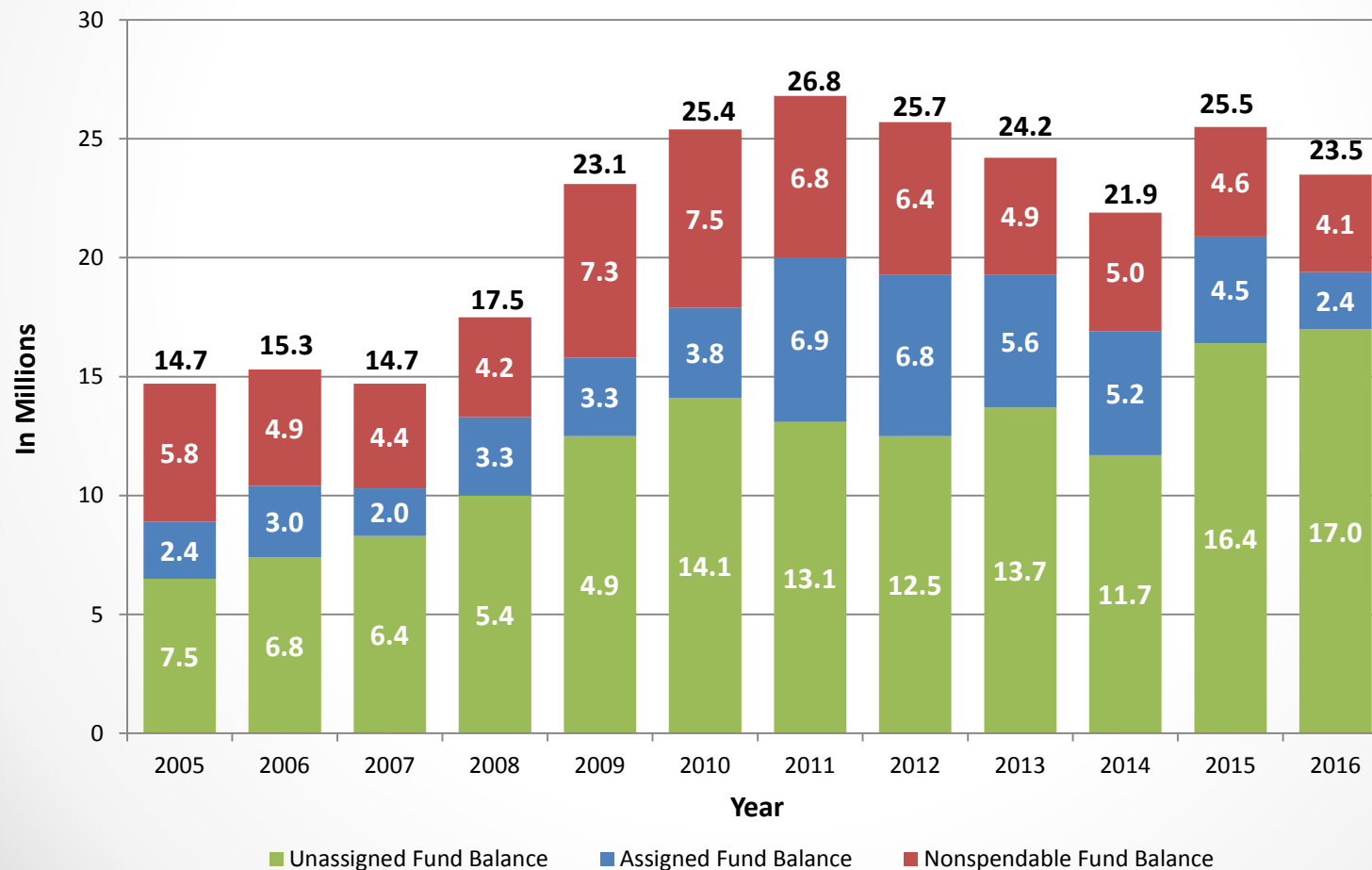
- The covered services include:
  - Garbage collection
  - Fire protection
  - Snow plowing
  - Street sweeping
  - Storm water management

# 2016 Operating Budget

## Background – Fund Balance



City of Eau Claire  
Analysis of Fund Balance



# 2016 Operating Budget

## Background – Fund Balance



**Unassigned Fund Balance  
as % of Subsequent Years Expenditures**



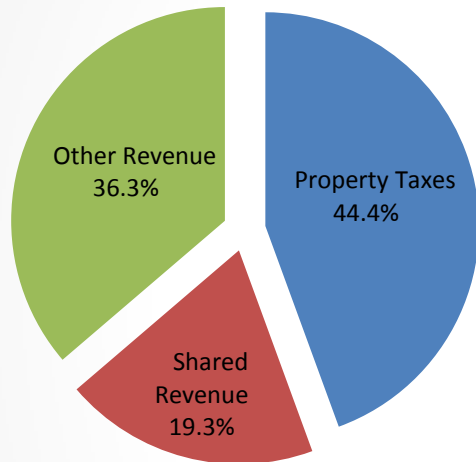


# 2016 Operating Budget

## Background – Revenue Sources



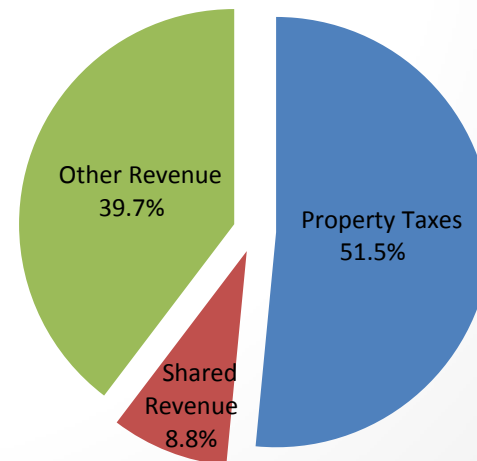
**2003 Sources of Funds**



- In 2003 State Shared revenues represented 19.3% of total revenues; 34.7% of non-property tax revenues.

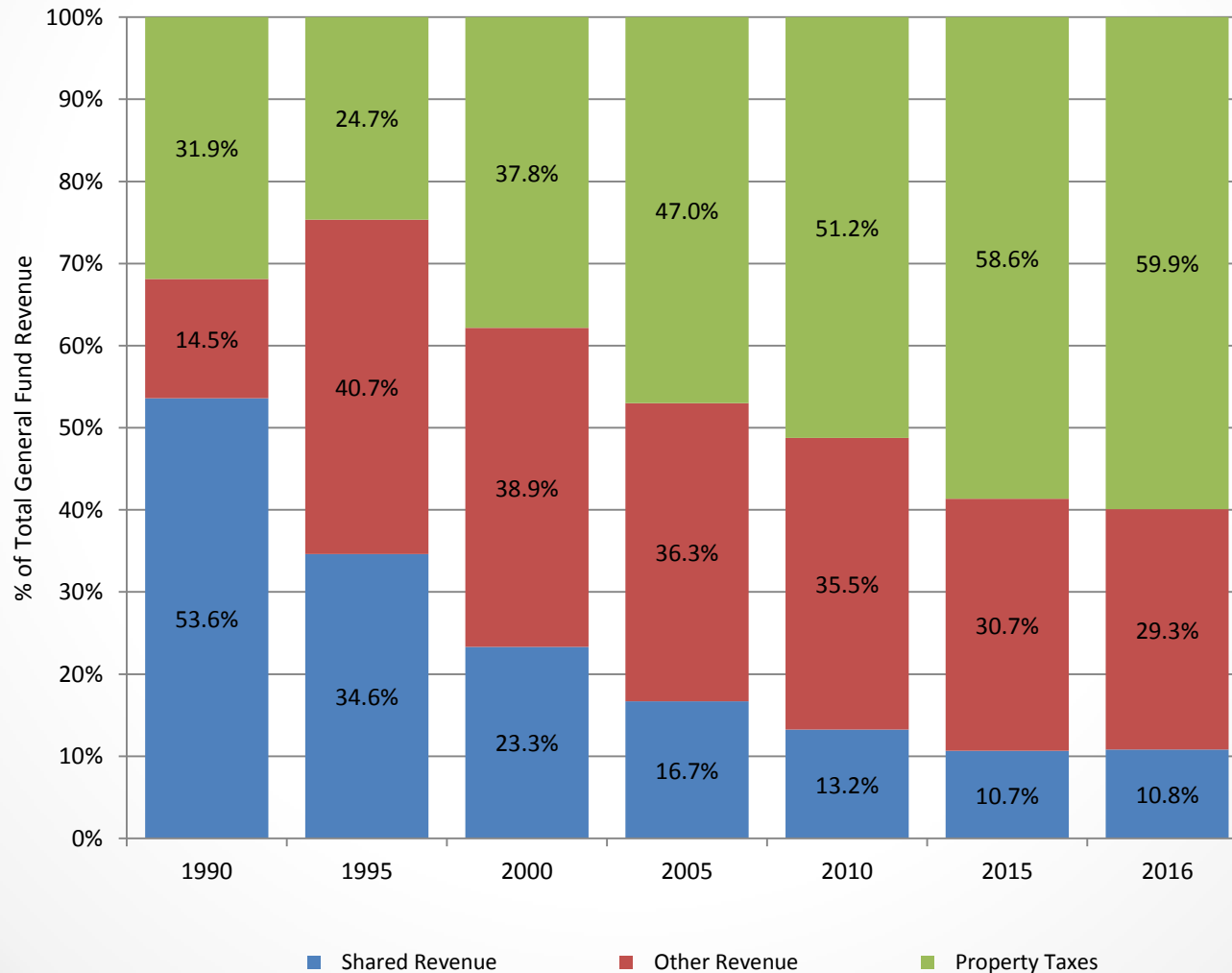
- From 2003 – 2013 State Shared Revenue was reduced over \$3 million, or 36%

**2013 Sources of Funds**



# 2016 Operating Budget

## Background – Revenue Sources

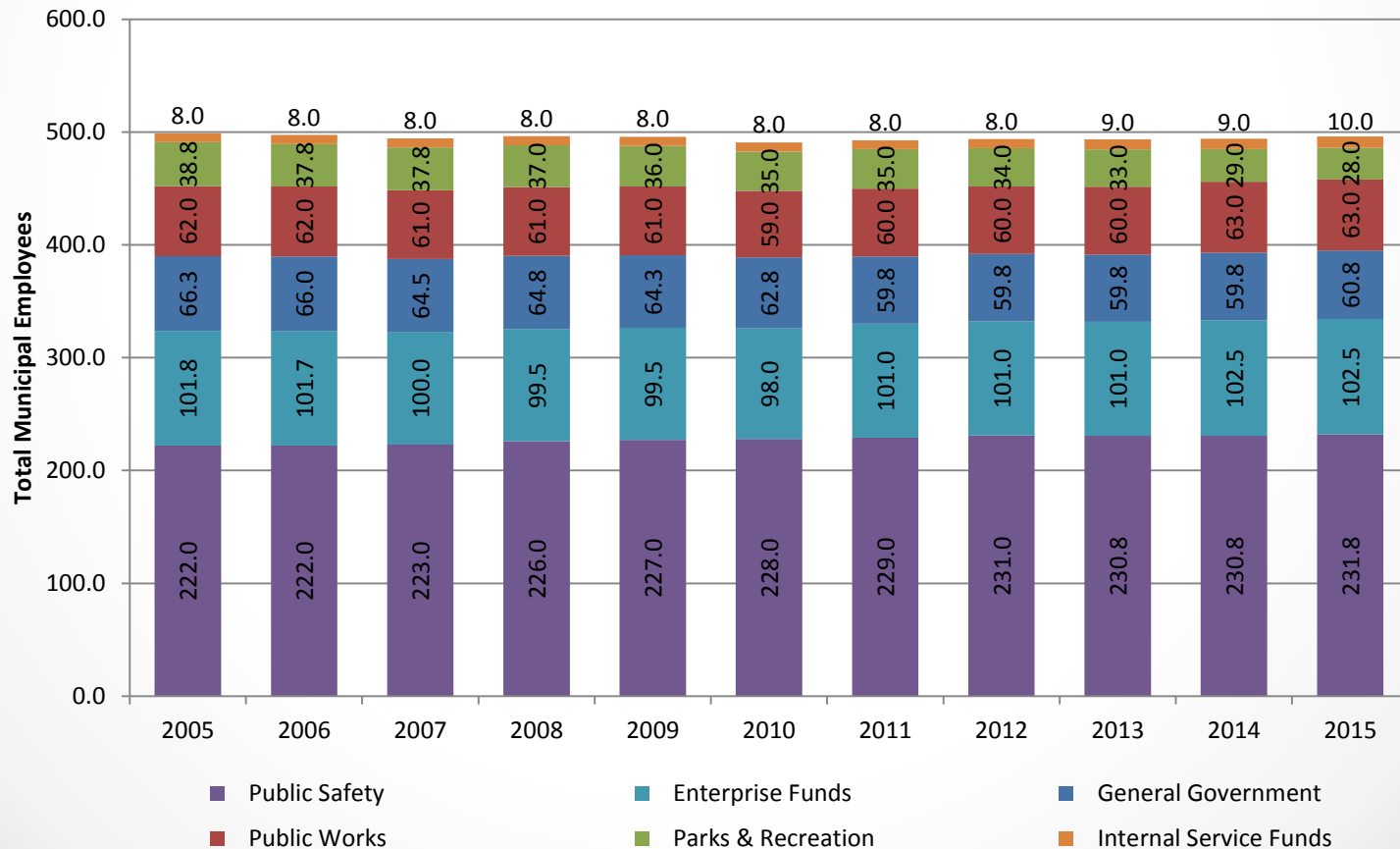


# 2016 Operating Budget

## Background - Staffing

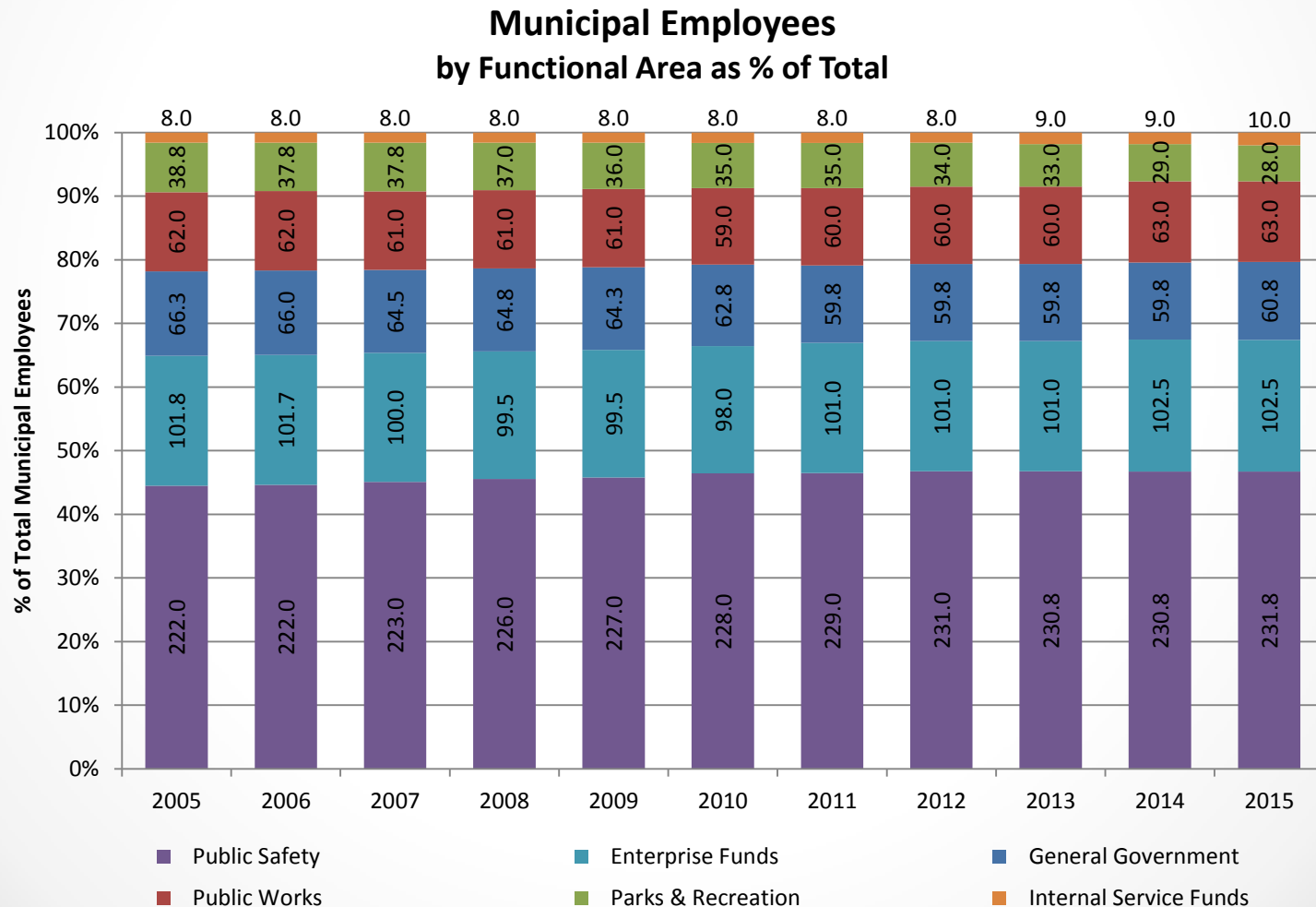


**Municipal Employees  
Total by Functional Area**



# 2016 Operating Budget

## Background - Staffing

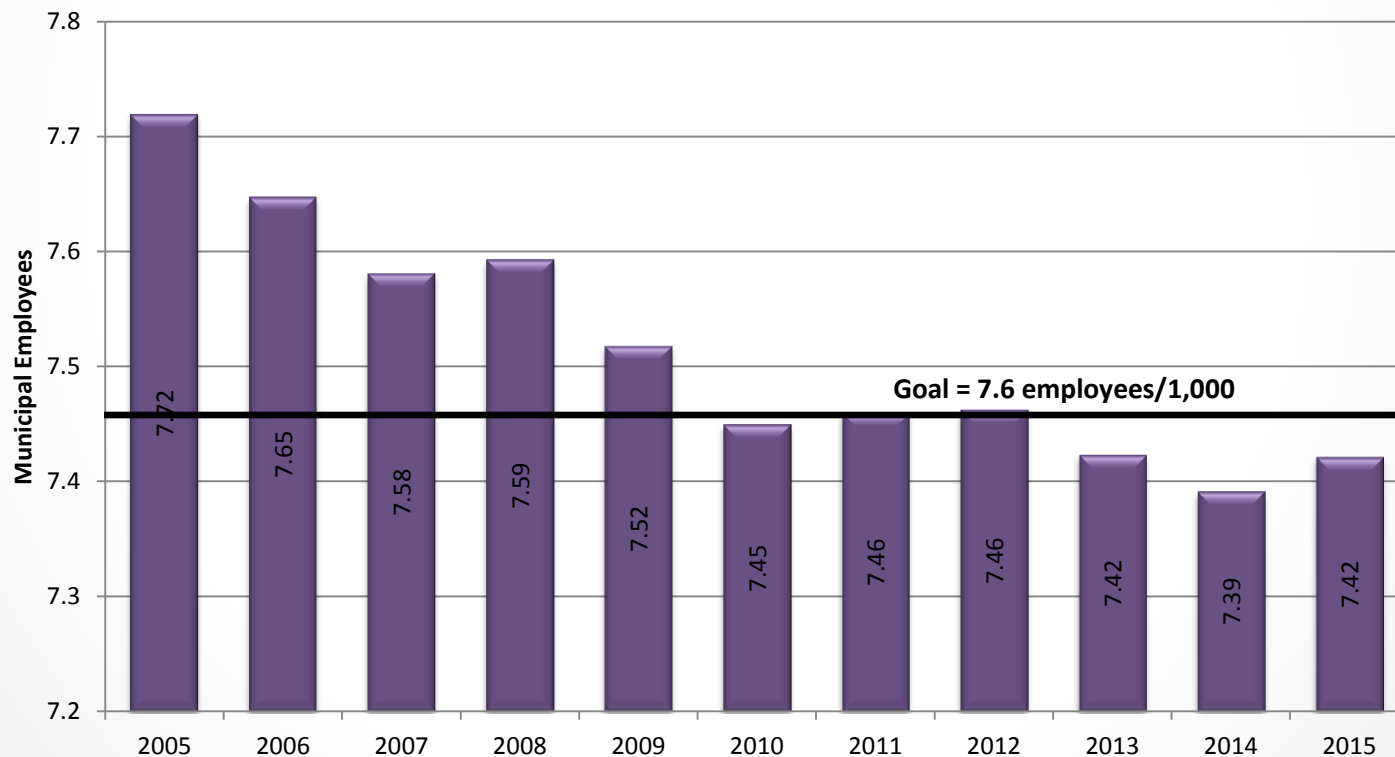


# 2016 Operating Budget

## Background - Staffing



**Municipal Employees  
per 1,000 Population**



# 2016 Operating Budget

## Key Factors



- Wage increase of 2%
- Health Insurance Increase of 4%
- Personnel costs represent over 78% of the General Fund Operating Budget. People = Services
- Public Safety represents 52% of the General Fund Operating Budget (excluding debt service)

# 2016 Operating Budget

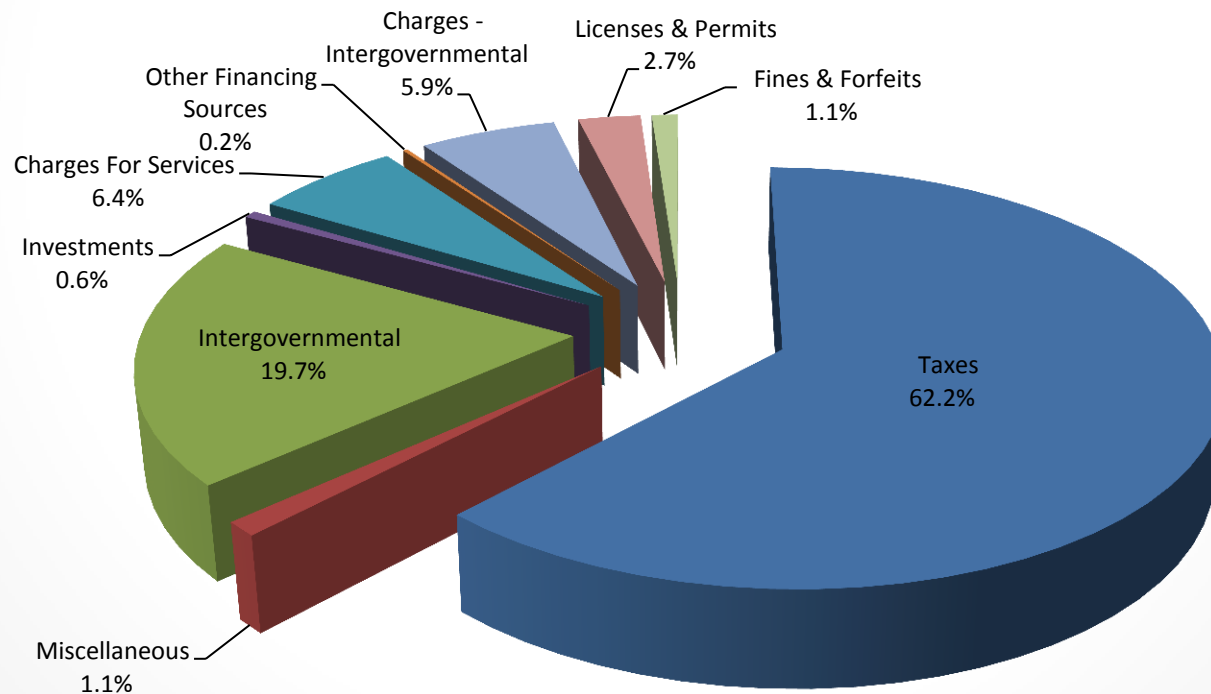
## Key Characteristics – City, Health, Library



Operations	+	\$1,223,800	1.96%
Debt Service	-	<u>\$234,800</u>	<u>4.93%</u>
Expenditures	+	\$989,000	1.41%
Non-Property Tax Revenues	+	\$1,109,800	3.76%
Property Tax Levy Increase	+	\$353,800	.93%
Assessed Valuation	+	\$44,627,000	1.02%
Gross Tax Rate (inc. Library & Health)	-	\$0.003	.03%
City Taxes on \$150,000 Home	-	\$1	.08%

# 2016 Operating Budget

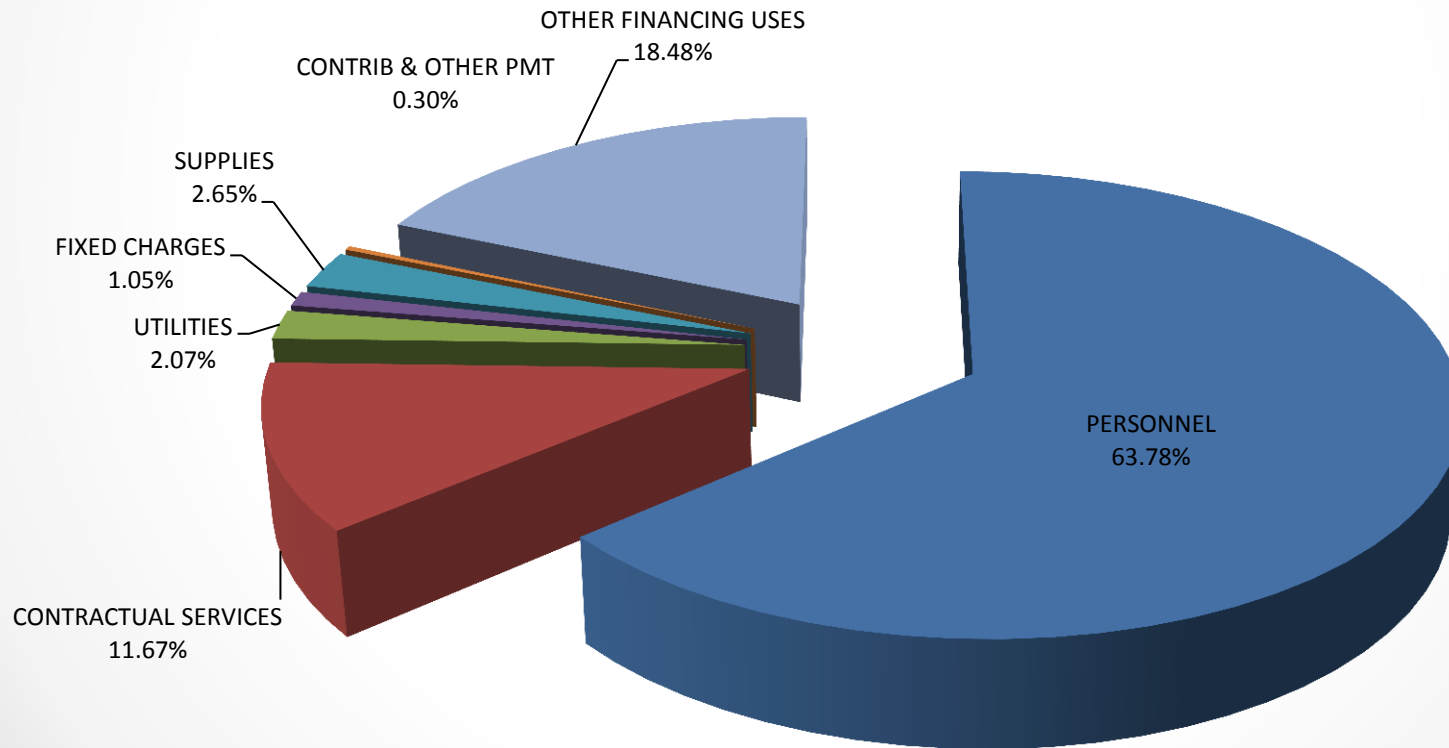
## General Fund Revenue Sources





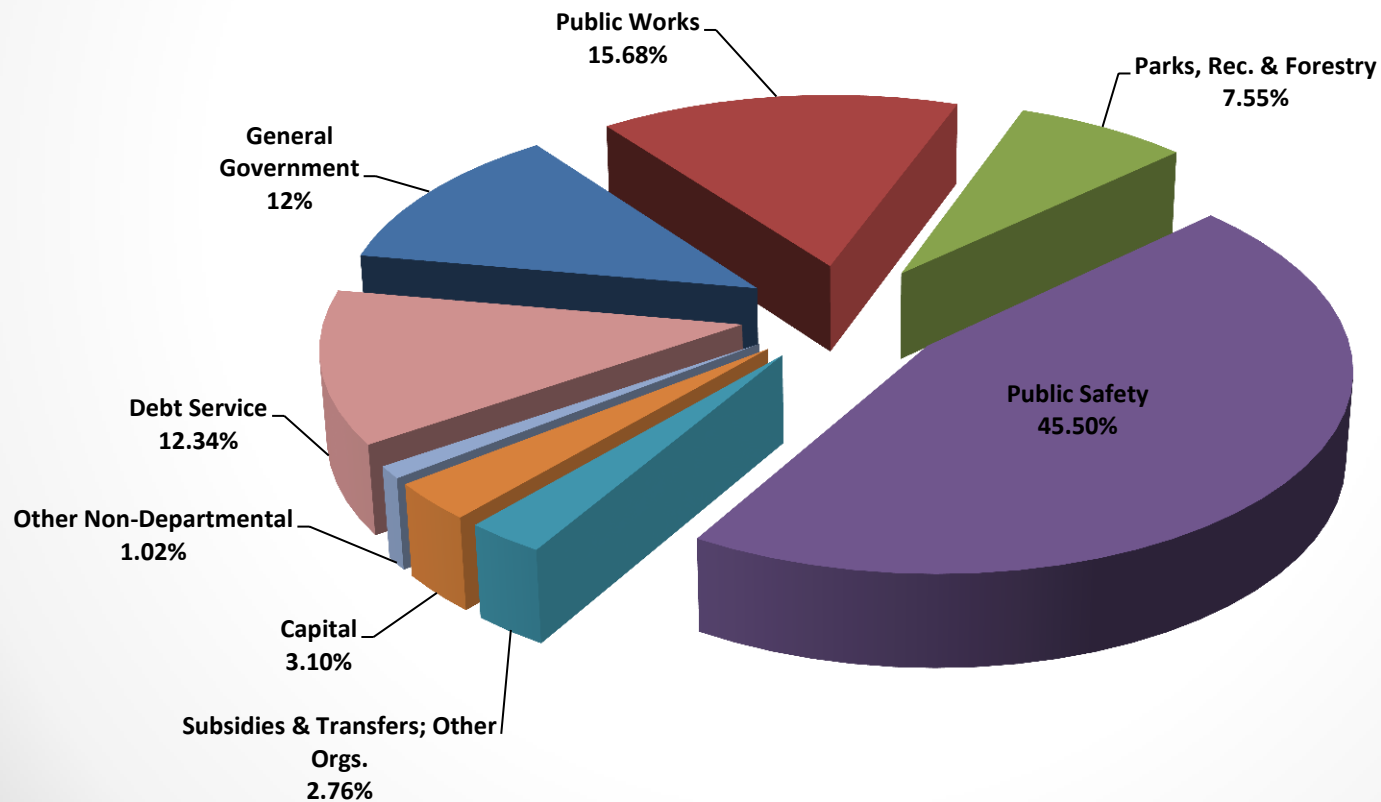
# 2016 Operating Budget

## General Fund Total Expenditures



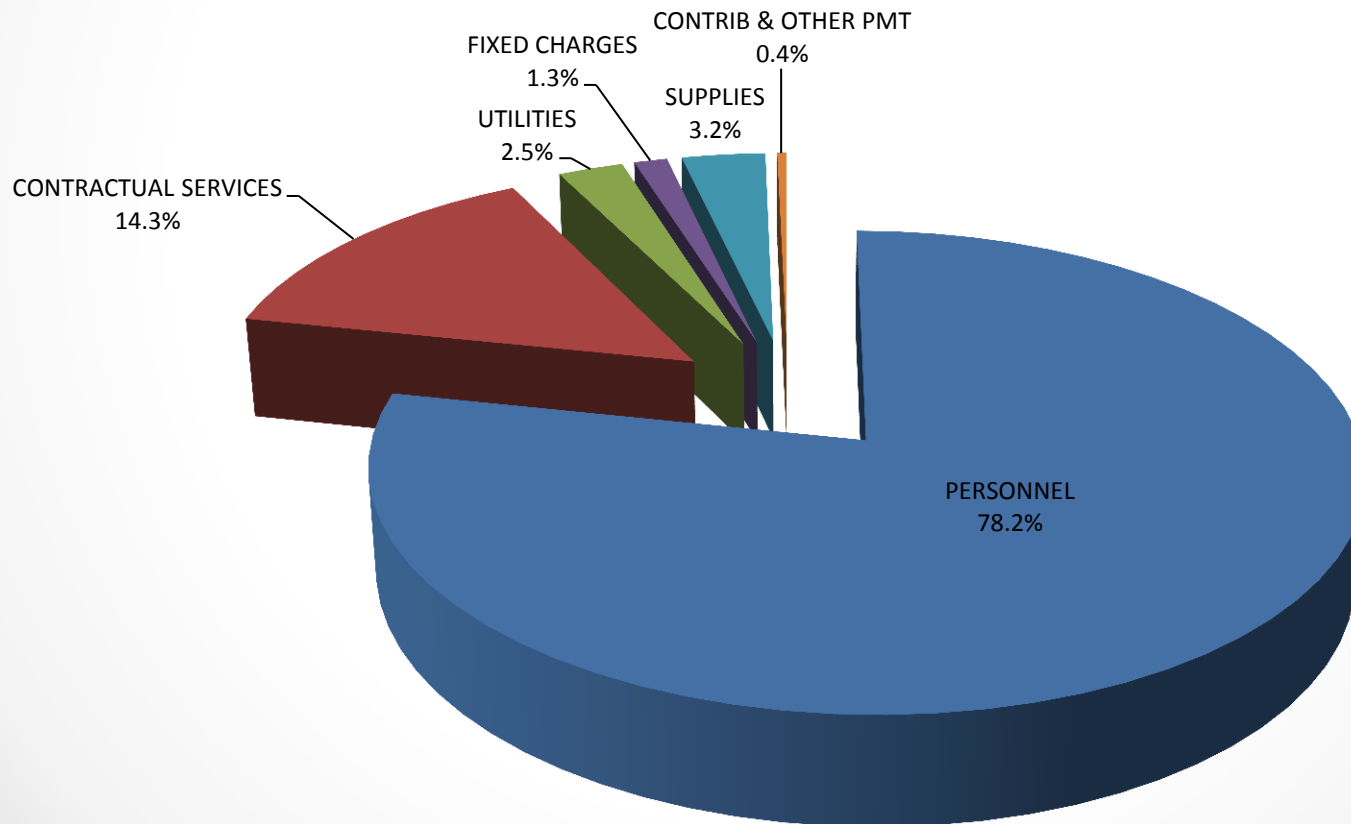
# 2016 Operating Budget

## General Fund Total Expenditures



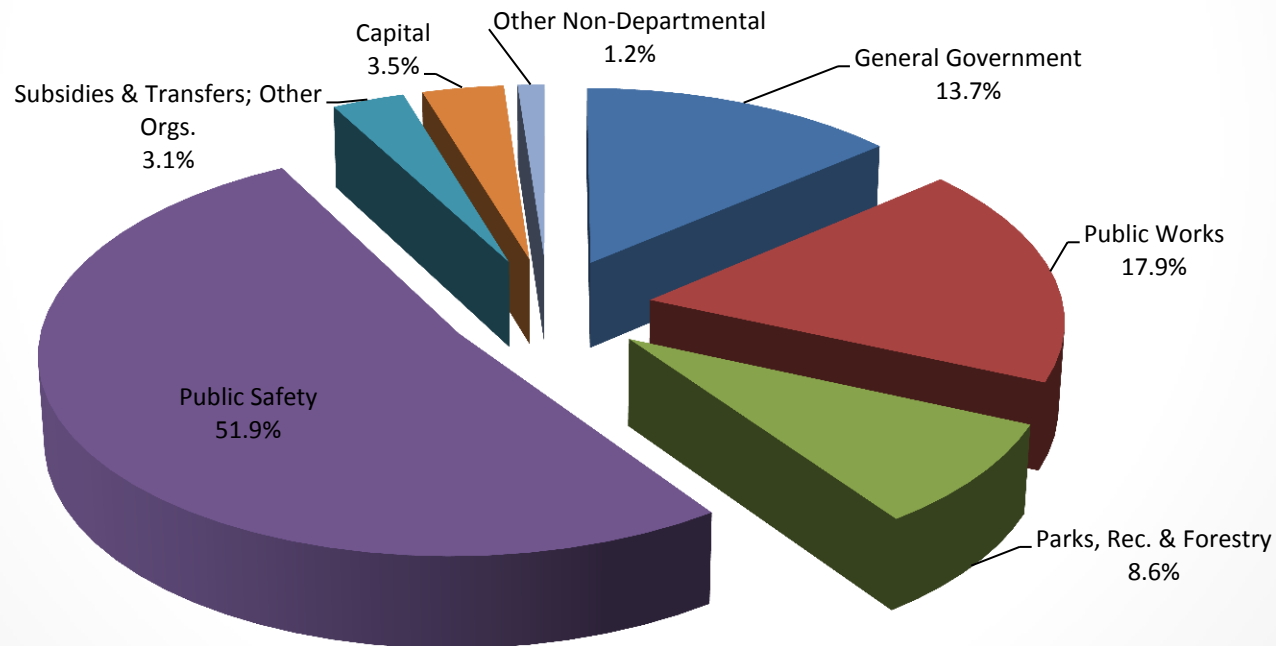
# 2016 Operating Budget

## General Fund Operating Expenditures



# 2016 Operating Budget

## General Fund Operating Expenditures

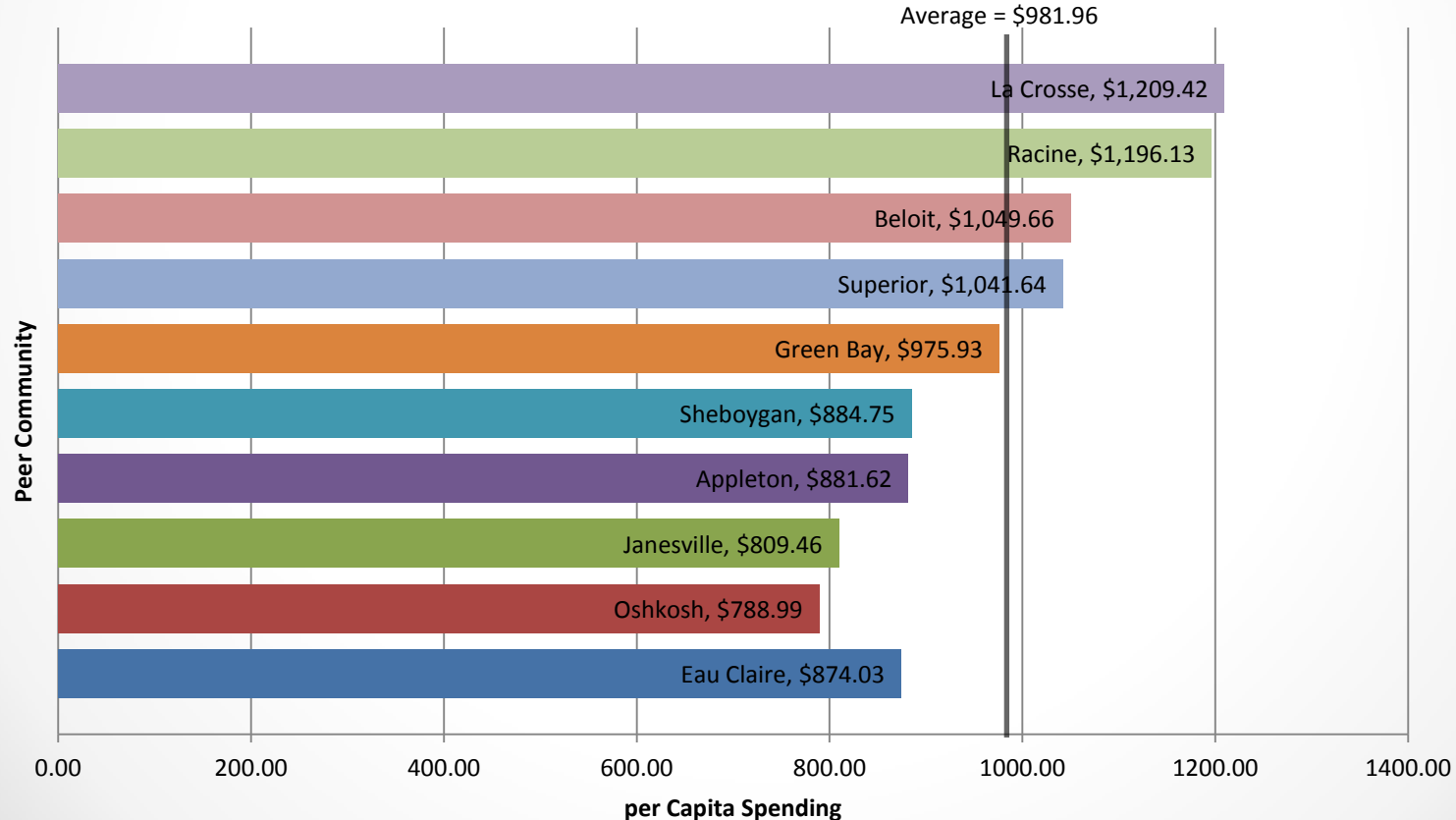


# 2016 Operating Budget

## Comparison of 2013 Operations Spending



### Operating Spending per Capita Comparison of Peer Communities

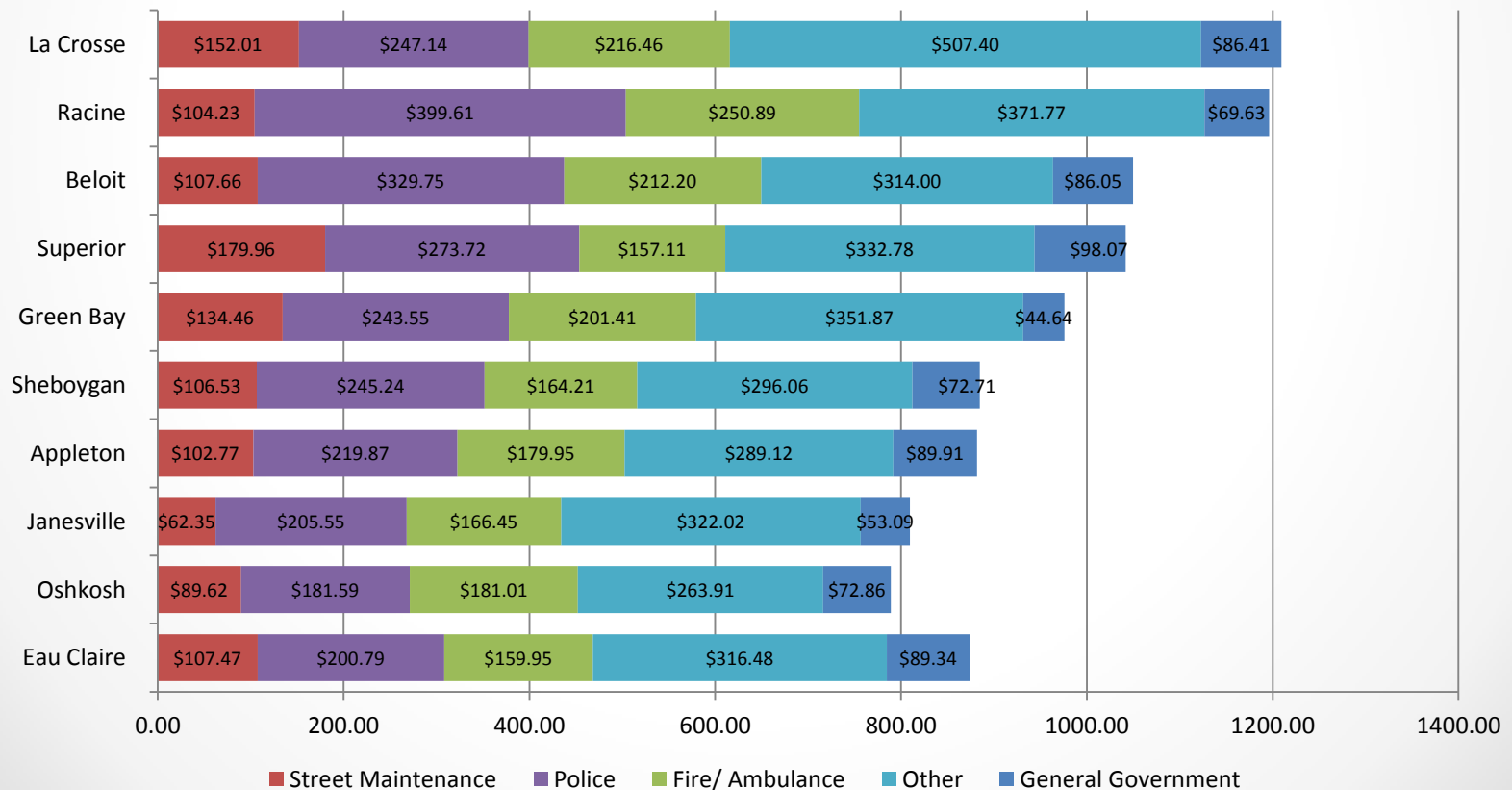


# 2016 Operating Budget

## Comparison of 2013 Operations Spending

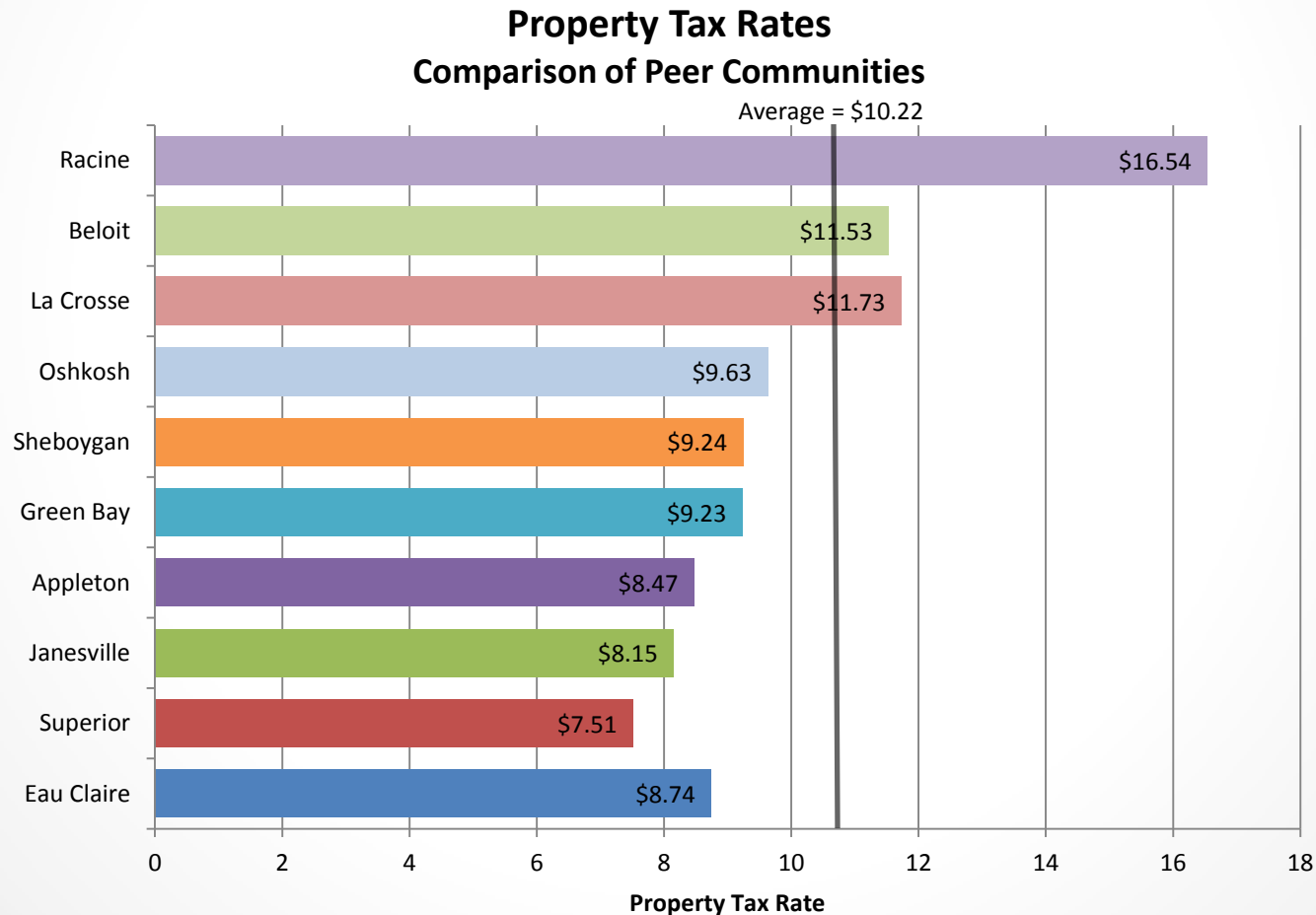


**Operating Spending per Capita  
by Category**



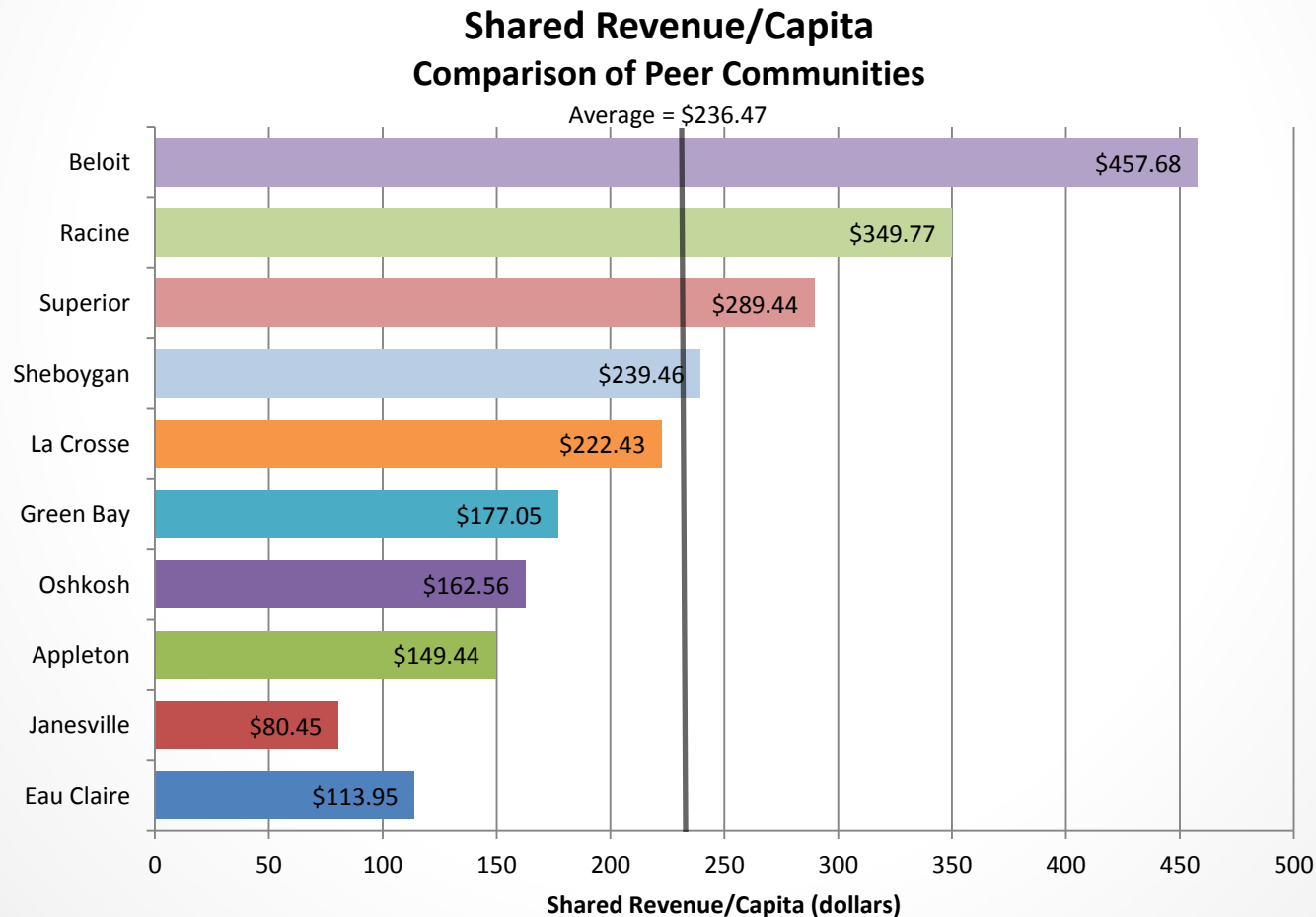
# 2016 Operating Budget

## Comparison of 2013 Tax Rates



# 2016 Operating Budget

## 2013 Shared Revenue Payments





# 2016 Operating Budget

## Tax Levy & Rates



	2015		2016	
	Levy	Rate	Levy	Rate
<b>Levied by City Government:</b>				
City of Eau Claire	\$ 32,166,643	7.670	\$ 32,441,781	7.652
Public Library	2,816,501	0.671	2,882,909	0.680
City-County Health	1,656,844	0.395	1,699,441	0.401
Total City Government	36,639,988	8.736	\$ 37,024,131	8.733
<b>Levied by Other Taxing Entities:</b>				
Eau Claire Area School District	41,297,998	9.879	Not Yet Available	N/A
CVTC	3,772,330	0.900	Not Yet Available	N/A
Eau Claire County	15,760,740	3.782	Not Yet Available	N/A
State Forestry	728,589	0.170	Not Yet Available	N/A
Total Other Entities	61,559,657	14.731	Not Yet Available	N/A
Gross Tax Levy/Tax Rate	98,199,645	23.467	Not Yet Available	N/A
Less State School Tax Credit	(6,405,984)	(1.495)	Not Yet Available	N/A
Net Levy/Tax Rate - All Taxing Entities	\$ 91,793,661	21.972	Not Yet Available	N/A
<b>Taxes on \$150,000 Home</b>				
City of Eau Claire	\$ 1,151	\$ 1,148	\$ (3)	-0.26%
Public Library	101	102	1	0.99%
City-County Health	59	60	1	1.69%
Total City Government	\$ 1,311	\$ 1,310	\$ (1)	-0.08%